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May 7, 1998

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
1919 M Street, N.W.
Room 222
Washington, D.C. 20554

VIA HAND DELIVERY

Re: Notice of Ex Parte Presentation:
CC Docket No. 92-237 - - Administration of the North American
Numbering Plan Carrier Identification Codes (CICs)

CC Docket No. 94-129 - - Policies and Rules Concerning Unauthorized
Changes of Consumers' Long Distance Carriers

Dear Ms. Salas:

On May 6, 1998, a meeting was held on behalf of IXC Long Distance, Inc. ("IXCLD") and WorldCom, Inc. ("WorldCom") with: (1) Geraldine A. Matisse, Chief, Network Services Division, Common Carrier Bureau; (2) Kris A. Monteith, Senior Attorney, Network Services Division; (3) Renee Alexander, Attorney, Network Services Division; and (4) David O. Ward, Senior Legal Assistant, Network Services Division. The persons attending the meeting on behalf of IXC were: Gary L. Mann, Assistant General Counsel - Regulatory Affairs for IXC; Richard L. Fruchterman, Esq., Director, Government Affairs for WorldCom; and Kristie Stokes Hassett, counsel for IXCLD.

At this meeting, the following topics and issues were discussed:

1. Pseudo-CICs, or Reseller Identification Codes ("RICs") would serve the following functions:
 - (i) To properly identify the retail service provider serving the end-user customer;
 - (ii) To conserve CICs;

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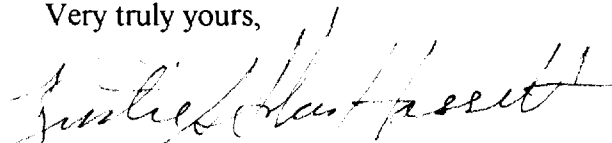
- (iii) To identify slammers and to avoid customer confusion regarding the identity of the customer's primary interexchange carrier; and
 - (iv) To avoid confusion at the state level regarding the appropriate entity responsible for making contributions to state universal service funds.
2. To combat slamming, some states, including Georgia and Louisiana, have recently proposed that every reseller be required to obtain a CIC. Such a requirement would hamper CIC conservation goals, and could act as a barrier to entry for smaller resellers, given the high cost of implementing a CIC nationwide. The use of RICs would avoid these pitfalls, but still allow proper identification of a reseller in the LECs' records. RICs would thus help to avoid customer confusion about the identity of a customer's preferred carrier, and decrease the number of erroneous slamming complaints. Additionally, where slamming has taken place, proper identification of resellers would also prevent misidentification of the underlying carrier, instead of the reseller, as the slammer.
 3. In response to IXCLD's Comments in CC Docket No. 92-237, BellSouth opposed the use of RICs. However, BellSouth's current position is directly contradictory to that taken in BellSouth's reply comments in CC Docket No. 94-129, which related to slamming. In the slamming proceeding, BellSouth actually proposed creating a "coding system to assign and maintain pseudo-CICs for non-facilities-based IXC's." (BellSouth Reply Comments at page 2.) BellSouth suggested that it would take about nine months to establish such a system. In fact, the LECs' Carrier Account Record Exchange ("CARE") records currently contain fields that are "reserved for future use," and which could accommodate RICs to identify specific resellers.
 4. Responding to BellSouth's RIC proposal in its June 14, 1995 Report and Order in CC Docket No. 94-129, the Commission "defer[ed] full examination of [the RIC] issue to another proceeding." (10 FCC Rcd. 9560 at ¶ 31.) Further, the Commission "urge[d] LECs such as BellSouth to develop a coding system to assign and maintain pseudo-CICs for non-facilities-based IXC's." (*Id.*)
 5. LECs, including BellSouth, now appear resistant to the use of RICs to identify resellers. Accordingly, IXCLD and WorldCom request that the Commission further investigate the feasibility of implementing a RIC system to accomplish the goals of CIC conservation and of combating slamming.

At the meeting, IXCLD and WorldCom provided copies of the attached materials to the Commission meeting participants.

May 7, 1998
Page 3

Please contact me if you have any questions.

Very truly yours,



Kristie Stokes Hassett

Enclosures

cc: All Commission Meeting Participants (w/o encls.)
Gary L. Mann, Esq. (w/o encls.)
Richard L. Fruchterman, Esq. (w/o encls.)

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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In the Matter of)
)
Policies and Rules Concerning) CC Docket No. 94-129
Unauthorized Changes of Consumers')
Long Distance Carriers)

REPLY

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BellSouth Telecommunications, Inc. ("BellSouth")
herewith submits these reply comments in the above-
referenced rulemaking. BellSouth remains concerned by the
level of unauthorized primary interexchange carrier (PIC)
conversions within its region. Evidence abounds that these
occurrences are often traceable to misleading marketing
practices which are employed to obtain letters of agency
(LOAs). Proposals contained in the Notice of Proposed Rule
Making¹ which restrict LOA content and formatting should
lower the incidence of marketing abuse and appear capable of
implementation without imposing an unreasonable burden on
interexchange providers.

The present comments address a single issue of the
NPRM, i.e., the proposal that LOAs identify only the carrier
establishing rates for the long distance service provided an
end user (the "marketing carrier").² As explained below,
implementation of this requirement will in some cases

¹ Policies and Rules Concerning Unauthorized Changes
of Consumers' Long Distance Carriers, CC Docket No. 94-129,
Notice of Proposed Rule Making, 9 FCC Rcd 6885 (1995)
(hereinafter "NPRM").

² NPRM, para. 14.

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produce an inconsistency between the PIC shown on an LOA and the provider of interexchange service identified on a customer's telephone bill.

DISCUSSION

Currently the provider of interexchange service named on a customer's telephone bill rendered by BellSouth is determined by the carrier identification code (CIC). CICs are issued by Bellcore to facility-based interexchange carriers (IXCs). Thus, BellSouth has no present capability for bill identification of companies which market to end users but do not own transmission facilities and do not have a CIC.

Such capability could be achieved through the creation of a coding system to assign and maintain pseudo-CICs for non-facility-based IXCs. While it is possible for each local exchange carrier (LEC) to create a method for assigning pseudo-CICs, the better approach is a national system of code administration and maintenance. The latter alternative would enable non-facility-based IXCs to retain the same billing carrier code nationally and would avoid duplication of this function by every LEC.

Absent a national system, it would be necessary for BellSouth to designate a central point of contact for billing carrier code assignment. This assignment would have to be reflected in several system databases, to include Carrier Account Record Exchange (CARE), Customer Record

Information System (CRIS) and Carrier Access Billing System (CABS).

At present, CARE is the vehicle for submission of most PIC change requests. Because this is a national system, BellSouth (or other LEC wishing to implement this change) would be required to petition the Ordering and Billing Forum (OBF) for a record expansion which would introduce a new field for the billing carrier code. It is estimated that action on a formatting modification would require an interval of four to six months. Following determination of the new CARE format, a number of internal systems used in PIC provisioning and billing would also require modification and conversion of existing databases.³ Given the millions of subscriber records contained in the databases, this task is expected to take an additional three to five months for completion. The above-described modifications would enable each end user account to be identified with a facility-based IXC for traffic network routing and--where appropriate--a non-facility-based IXC for billing.⁴ With this feature, a facility-based IXC could submit PIC changes through CARE both for itself and for non-facility-based IXCs using its

³ These systems are CASI, SOCS, SOER, CARE, Electronic Bonding, CRIS, CABS and PSIMS. To accommodate PIC change requests submitted by end users to BellSouth business offices, additional modifications would be needed to the customer support systems of RNS, DOE, SONGS and Overture.

⁴ Of course, in some cases the routing carrier and the billing carrier will be the same entity.

network.⁵

In summary, approximately nine months would be required to effect all modifications necessary to identify non-facility-based IXCs in BellSouth billing systems and on end user bills. This time could be further extended by competing requirements which impact the same billing systems. For example, BellSouth has scheduled two Numbering Plan Area (NPA) splits during 1995, requiring the conversion of large customer record databases. In addition, BellSouth may be ordered by one or more state public service commissions to implement intraLATA toll presubscription. Both these projects must draw upon the same resources needed to accomplish the billing modification described above.

CONCLUSION

A Commission requirement to identify only the marketing carrier on an LOA may result in customer confusion where a different provider of interexchange service is designated on the end user bill. BellSouth billing systems can be modified to allow identification of non-facility-based IXCs; however, such modifications--requiring conversion of large customer databases--will take an estimated nine months to complete. Further, a national coding system for non-

⁵ BellSouth will not accept an order from any IXC to route traffic to the network of another IXC. For this reason, only facility-based IXCs can submit PIC orders.

facility-based IXC's should be considered in provisioning this capability. Such an approach appears to offer significant advantages over a plurality of systems separately created and administered by individual LECs.

Respectfully submitted,

BELLSOUTH TELECOMMUNICATIONS, INC.

By: Helen A. Shockey
M. Robert Sutherland
Richard M. Sbaratta
Helen A. Shockey

Its Attorneys

4300 Southern Bell Center
675 West Peachtree Street, N.E.
Atlanta, Georgia 30375
(404) 614-4904

DATE: February 8, 1995

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

FCC 95-225

In the Matter of)
Policies and Rules Concerning) CC Docket No. 94-129
Unauthorized Changes of Consumers')
Long Distance Carriers)

REPORT AND ORDER

Adopted: June 13, 1995; Released: June 14, 1995.

By the Commission:

I. INTRODUCTION

1. In this Report and Order, we prescribe the general form and content of the letter of agency (LOA) used to authorize a change in a consumer's primary long distance telephone company. An LOA is a document, signed by the customer, which states that a particular carrier has been selected as that customer's "primary interexchange carrier" ("PIC"). We take this action in response to the thousands of complaints we have received regarding unauthorized changes of consumers' PICs, a practice commonly known as "slamming."¹ We also take this action in response to the tens of thousands of additional complaints received annually by local exchange carriers (LECs) and state regulatory bodies.² These rules

¹ "Slamming" means the unauthorized conversion of a customer's interexchange carrier by another interexchange carrier, an interexchange resale carrier, or a subcontracted telemarketer. Cherry Communications, Inc., Consent Decree, 9 FCC Rcd 2086, 2087 (1994).

² Pacific Bell and Nevada Bell state that on average, they "receive approximately 350,000 PIC changes from the interexchange carriers...each month. Two to three percent of those changes generate complaints...." Comments of Pacific Bell and Nevada Bell at 1-2. This represents 7,000 to 10,500 complaints per month received by Pacific Bell and Nevada Bell alone. See also Comments of GTE Service Corporation (GTE), NYNEX Telephone Companies (NYNEX), Southwestern Bell Telephone Company (Southwestern Bell), People of the State of California, et al. (California PUC), Missouri Public Service Commission, et al. (Missouri PSC), New York State Department of Public Service (New York Public Service), Public Utility Commission of Texas (PUCT), Florida Public Service Commission (Florida PUC), and National Association of Attorneys General (NAAG).

inducements. We believe that this requirement will prevent certain current deceptive or confusing marketing practices, while recognizing the need of the industry for flexibility to market services to consumers.³⁹

C. Other Unauthorized Conversion Issues

1. The Carrier Named on the LOA

28. In the NPRM, we sought comment on whether LOAs should contain only the name of the carrier that directly provides the interexchange service to the consumer. We recognize that there may be more than one carrier technically involved in the provision of long distance service to a consumer. For example, there may be an underlying carrier whose facilities provide the long distance capacity and a resale carrier that actually sets the rates charged to the end user consumer. In some cases, there also may be a carrier that acts as a billing and collection or marketing agent.

29. Most commenters agreed that only the name of the IXC setting the consumer's rates should appear on the LOA. Some resellers opposing this requirement claim that some consumers will not give them their business because the consumers want their telephone service handled by a large carrier. These commenters argue that allowing the small IXC reseller to use the name of the larger underlying carrier is not confusing to consumers and is necessary to bolster consumer confidence. Based on numerous consumer complaints, we conclude that it is in fact confusing to consumers for an LOA to contain the name of an IXC that is not providing service directly to the consumer. Because our rules only affect the LOA and not promotional materials, small IXCs may choose to use those materials to promote their affiliations with larger carriers in order to gain greater consumer acceptance. The LOA may not be used for such a purpose, however. Therefore, we will only permit the name of the rate-setting IXC on the LOA.⁴⁰

30. In a related matter, several LECs have informed the Commission, that in some cases where the reseller sets the rates, consumers may be confused because the name of the underlying, facilities-based IXC may appear on the consumer's bill. BellSouth Telecommunications, Inc. (BellSouth) states that "currently the provider of interexchange service named on a customer's telephone bill rendered by BellSouth is determined by the carrier

³⁹ The rule adopted here would, for example, prohibit the use of forms that combine LOAs with the language of contest entries, prize claims and charitable solicitations.

⁴⁰ We modify the proposed Section 64.1150(e)(4) to accommodate this and the multiple PIC issue, paragraph 32, infra.

identification code (CIC). CICs are issued by Bellcore to facility-based IXCs. Thus, BellSouth has no present capability for bill identification of companies which market to end users but do not own transmission facilities and do not have a CIC. Such capability could be achieved through the creation of a coding system to assign and maintain pseudo-CICs for non-facility-based IXCs.⁶¹ Although BellSouth states that it might be able to institute such a system within a year, BellSouth asserts that a national system of code administration and maintenance is preferred.

31. We recognize that consumers may be confused if after they agree to switch their long distance service, the name of some other IXC appears on their bill. We expect all IXCs that do not have a CIC to explain to their new customers that another IXC's name may appear on the customer's bill. The IXC may also describe any relationship it has with the IXC named on the bill. Further, we urge LECs such as BellSouth to develop a coding system to assign and maintain pseudo-CICs for non-facility-based IXCs. We defer a full examination of this issue to another proceeding.

32. Finally, certain commenters have informed the Commission that the jurisdictions they operate in either allow for two primary interexchange carriers ("2 PICs")⁶² or will likely allow "2 PICs" in the near future.⁶³ Typically, these jurisdictions allow for a separate inter-state IXC and an intra-state IXC.⁶⁴ Consumers may choose an IXC to provide them with either inter-state service, intra-state service, or both. Our proposed Section 64.1150(e)(4)⁶⁵ does not contemplate such a scenario and therefore we will modify the rule provision to accommodate 2-PIC jurisdictions as follows:

[The LOA must state] that the subscriber understands that only one interexchange carrier may be designated as the subscriber's interstate primary interexchange carrier for any one telephone number. To the extent that a jurisdiction allows the selection of additional primary

⁶¹ Comments of BellSouth at 2.

⁶² See Comments and Replies of Allnet, Ameritech, GCI and GTE.

⁶³ See Reply Comments of Ameritech at 2.

⁶⁴ In the case of GTE Hawaiian Telephone Company Incorporated (GTE Hawaiian), the choices entail an international carrier and a interstate (mainland United States) carrier. GTE Comments at 1.

⁶⁵ The proposed Section 64.1150(e)(4) states "...that the subscriber understands that only one interexchange carrier may be designated as the subscriber's primary interexchange carrier for any one telephone number and that selection of multiple carriers will invalidate all such selections...."

Statement of

**William E. Kennard, Chairman
Federal Communications Commission**

Before the

**United States Senate
Committee on Governmental Affairs
Permanent Subcommittee on Investigations**

on

Slamming

April 23, 1998

Slamming Complaints Received at the FCC National Call Center

Carrier	January 1998	February 1998	March 1998	January thru March 1998
BUSINESS DISCOUNT PLAN, INC.	484	370	400	1254
AT&T CORP.	361	306	329	996
MCI COMMUNICATIONS CORPORATIONS	179	201	290	670
WILTEL	221	163	196	580
MINIMUM RATE PRICING, INC.	169	175	172	516
SPRINT COMMUNICATIONS COMPANY, L.P.	2	182	262	446
AXCES, INC	101	94	98	293
US REPUBLIC COMMUNICATIONS, INC.	70	89	77	236
WORLDCOM, INC.	64	67	93	224
LCI TELEMAGEMENT GROUP	107	40	47	194
ONE STEP BILLING, INC.	54	57	82	193
BCI CORP.	64	47	71	182
LEAST COST ROUTING, INC.	62	35	73	170
TELEC, INC.	47	46	77	170
EXCEL TELECOMMUNICATIONS, INC.	52	45	67	164
FRONTIER COMM. SVCS.	45	32	71	148
VISTA TELECOMMUNICATIONS	37	24	58	119
CORPORATE SERVICES TELCOM, INC.	25	35	42	102
GROUP LONG DISTANCE, INC.	39	20	32	91
ADVANCED TELECOMMUNICATION NETWORK, INC.	11	27	43	81
ALL AMERICAN TELEPHONE, INC.	27	13	29	69
FURST GROUP, INC.	16	21	26	63
TOUCH 1 COMMUNICATIONS, INC.	28	8	24	60
ITC	22	14	23	59
LDD, INC.	15	11	31	57
LCI INTERNATIONAL TELECOM CORP.	4	22	30	56
SWITCHED SERVICE COMMUNICATIONS, L.L.C.	21	14	17	52
ACCUTEL COMMUNICATIONS, INC.	8	16	23	47
GTE	12	8	22	42
LDC TELECOMMUNICATIONS, INC.	12	15	15	42
DISCOUNT NETWORK SERVICES, INC.	8	17	16	41
LOCAL LONG DISTANCE	16	11	14	41
IXC LONG DISTANCE, INC.	12	6	18	36
NORTH AMERICAN TELCOM, INC.	15	12	9	36
LDS-VENTURES, INC.	12	9	14	35
WORLDCOM, INC. D/B/A LDDS WORLDCOM	16	9	10	35
LONG DISTANCE DIRECT, INC.	3	6	25	34
NATIONAL ACCOUNTS, INC.	10	14	10	34
ATLAS COMMUNICATIONS, LTD.	4	13	15	32
TELCO COMMUNICATIONS GROUP, INC.	10	10	11	31
ACCESS NETWORK SERVICES, INC.	15	7	8	30
COASTAL COMMUNICATION SERVICE, INC.	10	12	8	30
USA TELE CORP.	9	8	12	29
LONG DISTANCE SERVICES, INC.	5	9	14	28
THE PHONE COMPANY	7	6	14	27



Ordering and Billing
Forum

ATIS/OBF-CARE-009

10.0 Customer Account Record Exchange (CARE) Record Layouts

CUSTOMER ACCOUNT RECORD EXCHANGE (CARE)

CONTROL HEADER RECORD LAYOUT

<i>Position in Record</i>	<i>Field Structure</i>	<i>Element</i>
1-2	9(2)	Record Identification - Header
3-4	9(2)	Record Identification - Direction
5-6	X(2)	Reserved for Future CARE Assignment
7-12	9(6)	Create Date
7-8	9(2)	Create Year
9-10	9(2)	Create Month
11-12	9(2)	Create Day
13-16	9(4)	Sequence Number
17-20	X(4)	Access Provider (AP) Identification Code
21-23	X(3)	Access Carrier Name Abbreviation (ACNA)
24-24	X(3)	Access Provider (AP) Revenue Accounting Office (RAO)
27-28	X(2)	Sequence Group Identifier
29-32	X(4)	Version Number
33-36	X(4)	Carrier Identification Code (CIC)
37-41	9(5)	System Identification (SID)/Billing Identification (BID)
42-114	X(73)	Reserved for Future Care Assignment
115-121	9(7)	Not Available For Use
122-400	X(279)	Reserved for Future CARE Assignment
401-480	X(80)	Available for Local Use
481-887	X(407)	Reserved for Future CARE Assignment
888-960	X(73)	Available for Local Use

9 = Numeric, right justified, zero filled

X = Alphanumeric, left justified, blank filled

CUSTOMER ACCOUNT RECORD EXCHANGE (CARE)

ACKNOWLEDGMENT FILE DETAIL RECORD FOR MECHANIZED BATCH
FILE TRANSFER

<i>Position in Record</i>	<i>Field Structure</i>	<i>Element</i>
1-5	X(5)	Company Identification
6	X(1)	Accept/Process Indicator
7-12	9(6)	Accept Process Date
13-14	9(2)	File Status Code**
15-99	X(85)	File Status Description
100- 103	9(4)	Accept/Process Time
104- 110	9(7)	Accept/Process Record Count
111- 960	X(850)	Reserved for Future Use

* Header Record and Trailer Record associated with acknowledgment file Detail Record are identical copies of the AC Header/ Trailer Records of the submitted file.

** Values appear in Section 11.0.

9 = Numeric, right justified, zero filled
X = Alphanumeric, left justified, blank filled